



Board of Directors Regular Meeting

Thursday, January 15, 2026 Virtual
Meeting via Zoom

Members may participate in the regular board meetings via Zoom. The first part of the meeting is reserved for member questions and comments. For security purposes, staff will be checking Zoom identities so please use your first and last name or you may not be let into the meeting. Please follow the protocols listed below:

- Mute yourself unless talking,
- Use your first and last name in your Zoom identity,
- Chat if you have a question/comment and the monitor will put you in the queue,
- OPALCO's Policy 17 - Member Participation at OPALCO Meetings decorum must be followed.

The Zoom link will be updated monthly. Members can get the link to the meeting, submit any comments and questions in writing no less than 24 hours in advance of each meeting to: communications@opalco.com

Sequence of Events

- OPALCO Board Meeting
- Executive Session



Board of Directors
Regular Board Meeting
January 15, 2026, 8:30 A.M.* Virtual
Meeting via Zoom

**Time is approximate; if all Board members are present, the meeting may begin earlier or later than advertised. The Board President has the authority to modify the sequence of the agenda.*

WELCOME GUESTS/MEMBERS

Members attending the board meeting acknowledge that they may be recorded, and the recording posted to OPALCO's website. Members are expected to conduct themselves with civility and decorum, consistent with Member Service Policy 17. If you would like answers to specific questions, please email communications@opalco.com for post-meeting follow-up.

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EXECUTIVE SESSION

Legal, Personnel, Competitive, Other

ADJOURNMENT

ACTION ITEMS

Consent Agenda

All matters listed on the Consent Agenda are considered routine and will be enacted by one motion of the Board with no separate discussion. If separate discussion is desired, that item may be removed from the Consent Agenda and placed as an Action Item at the request of a Board member.

The Consent Agenda includes:

- **Minutes** of the previous meeting and special meeting – attached.
- **Approval of New Members** – attached {as required by Bylaws Article I Section 2 (d)}

NEW MEMBERS – December 2025

District 1 (San Juan, Pearl, Henry, Brown, Spieden)

BRITTELL, MEGEN
BRUMSICKLE, WILSEY
BULLARD, STEPHANIE
CASTANON, PAUL & MAGNUSON, WILLIAM
DAVICITO TOWING L, LC
EQ DESIGN LLC
GENEVIEVE, GISLASON
GISLASON, LITA
JAMES, JUSTIN
KENNEDY, CLAIRE
KILEFNER, LAUREN & KILEFNER, JONATHAN
KIVISTO, SHARON
MIKKELBORG, SONDRA
OLDWYN, KAAL
ORCA INN WINTER QTR INC
PORTER-HUGHES, ETHAN
SANTOYO CHURAPE, CHRISTIAN
SPRINGER, MARTINE
SYNCHROMAR LLC
TUCKER, DENNIS & TUCKER, ANGELA
WALTON, VICTORIA & RAMSEY, DUSTIN
WATT, DONOVAN & WATT, KELLY
WHITE OAKS FARM L, LC
WILSON, HEATHER

DASHEVSKY, ANTONY & RHODES, QUINCY
GARCIA SALINAS, DENILSON & PAGE SANDOVAL, JAZMIN
GREGUS, KEVIN & GREGUS, SUDINA
HERRERA, IBAN
JENSON, MICHEAL
KLAUS, RICHARD
KULPER, ELIZABETH
MEEK, JENNI & MEEK, SEAN
NELSON, SHARON
OROPEZA, JUAN PABLO
PERRY, SAM
PRICE, SKYE & KING, VIRGIL
REAGLES, VIRGINIA & REAGLES, ANJEANETTE
RODRIGUES, ANDRE
STOUT, MATTHEW

District 2 (Orcas, Armitage, Blakely, Obstruction, Double,

Alegria, Fawn)
AHoy HOSPITALITY, LLC
ARAGON, KIM
BTP ORCAS LLC
DAE, FLETCHER
DALTON, POPPY

District 3 (Lopez, Center, Decatur, Charles)
CONNER, J MARIE
CORDOVA, RIO & COCO, EVANGELINE
KRAUEL, ALEXIS
LOPEZ CABIN ON TH, E ROCK LLC
MATHERS, THOMAS & FRIEL, CHRISTOPHER
OGELMAN, KENAN
PETRUZZI, JAMES & PETRUZZI, GWENDOLYN
RICHARDS, JENNIFER
ROE, BRIAN
STANGL, HEATH & HOLMES, EMILY
STEVENS, CAROL
VOGELZANG, PAUL TAYLOR

District 4 (Shaw, Crane, Canoe, Bell)

None



RUS Form 219

Inventory of Work Orders of projects completed from the Construction Work Plan. These forms are submitted to RUS for approval of loan funds.

Inventory	Amount	Description
202507	\$11,140.23	Minor Construction Work Orders
Total	\$11,140.23	

Staff requests a motion to approve the Consent Agenda.

Orcas Power & Light Cooperative Rev: 202303050744

11/24/2025 1:43:09 pm Page: 1

RUS Form 219 Inventory Of Work Orders										
Period: OCT 2025				System Designation: WA O9						
Inventory: 202510				Deductions						
Project	Loan	Year	Work Order	Gross Funds Required		Contrib In Aid Of Constr and Previous Advances	Loan Funds Subject To Advance By RUS			
				Cost Of Construction: New Constr Or Replacements	Cost Of Removal: New Constr Or Replacements			New Construction Or Replacements	Retirements Without Replacements	
1600		2023	4457	1	12,369.29	0.00	1,161.08	0.00	0.00	11,140.23
					12,369.29	0.00	1,161.08	0.00	0.00	11,140.23
Grand Totals:				\$ 12,369.29		\$ 0.00	\$ 1,161.08	\$ 0.00	\$ 0.00	\$ 11,140.23

Minor Construction Work Orders
Work Order: 4457 - MOVE TRANSFORMER

Capital Credits

Staff request payment of capital credits to the estates of the following deceased members and/or to organizations no longer in business by way of approval of the consent agenda:

January	
Customer #	Amount
32068	1,944.94
17000	1,034.80
95295	575.18
17880	422.21
3410	1,245.87
62226	371.37
Total	\$ 5,594.37

Staff requests a motion to approve the Consent Agenda.



Minutes

Staff request approval of the minutes from the prior meeting upon review.

Orcas Power & Light Cooperative Minutes of the Board of Directors Meeting Thursday, December 11, 2025

Streaming through Zoom attendees were Board members Vince Dauciunas, Mark Madsen, Tom Osterman, Jerry Whitfield, Chuks Onwuneme, Brian Silverstein and Wendy Hiester. Staff present were General Manager Foster Hildreth; Manager of Engineering and Operations Russell Guerry; Manager of Finance Travis Neal; Communications Manager Krista Bouchey; Manager of Member Services, Joey Wyckoff; Member Services Supervisor Katherine Santos Santana; Communications Specialist Johanna Lange; and Special Projects Office Coordinator Beth Stanford (serving as recording secretary). Also present were Legal Counsel Joel Paisner, and consultant Jay Kimball.

Members in attendance: Amy B, Barbara Pesola, Schwedler, Heather Nicholson, Frank Delia, Gabe, Lucy, Wren, Colt and Vera from ICUA.

Meeting commenced at 8:32 AM

Member Comment Period: No Member Comments.

ACTION ITEMS

CONSENT AGENDA

MOTION was made by Whitfield to accept the consent agenda, seconded by Madsen and passed unanimously by voice vote.

2026 Tariffs

MOTION was made by Silverstein to approve the 2026 Tariffs. The motion was seconded by Whitfield and passed unanimously by voice vote.

DISCUSSION ITEMS

Youth Rally Presentation

The youth participants gave a presentation to the Board and members on their experience at the 2025 ICUA Youth Rally.

REPORTS

Staff reviewed reports, dashboards, grant and budget tracking, ongoing cooperative-wide safety measures and training, and projects.

Regular Session ended: 9:40 AM

Executive Session: 9:50 AM to 11:36 AM

Meeting Closed: 11:36 AM

Vince Dauciunas, President

Tom Osterman, Secretary-Treasurer



DISCUSSION ITEMS

BPA Provider of Choice Initiative

OPALCO recently joined 130 other Northwest public utilities in signing the new 16-year electric power contracts with the Bonneville Power Administration (BPA). This initiative, called the Provider of Choice Initiative, will secure electricity for the Pacific Northwest through 2044.

OPALCO is a member of Pacific Northwest Generating Co-op (PNGC) along with 25 other regional electric cooperatives. PNGC has been instrumental in working with BPA on OPALCO's behalf to get these agreements in place. PNGC operates as a Joint Operating Entity that aggregates the member co-ops' electrical loads and resources under consolidated contractual agreements with BPA. Working with PNGC in this way allows individual co-ops like OPALCO to better manage power prices and supply risk. BPA and regional utilities spent the last four years negotiating a new contract model that starts in October 2028.

Here are some changes to the contract that are important to OPALCO:

Demand Charges:

- The demand charge for this new contract will be based on metered peak demand.
- There will be more transparent price signals as this charge will not be based on monthly average usage calculation of High Load Hour energy – it will be based on true monthly peak. The only time OPALCO would never get a peak charge was if the monthly average MW is equal to the metered peak demand (unlikely to happen).
- Peak Rate is now based on average monthly energy rather average high load hour – less tied to defined time rate periods.
- To manage rate impacts to utilities there are now rate impact credits to smooth demand rates between rate periods and limits monthly rate changes to no more than 10%, up or down, in a two-year period.

Load shaping:

- BPA removed monthly load shaping charges and credits and replaced it with true up mechanisms – some monthly and some year end.
- The load shaping rate will be replaced with Tier 2 marginal energy rate for any differences between forecast and actual loads. Cold years could result in high demand bills and higher energy usage via these charges at the end of the fiscal year.

Renewable energy credits:

- BPA will establish the environmental attribute allocation for each rate period based on the load and resources in that rate period via the Environmental Attribute Accounting Process (EAAP). Under this process BPA Tier 2 could have a different carbon content than Tier 1 or other types of BPA power purchases.

Compliance:

- BPA will require proof of capacity to back up non-federal resources in compliance with Western Resource Adequacy Program.

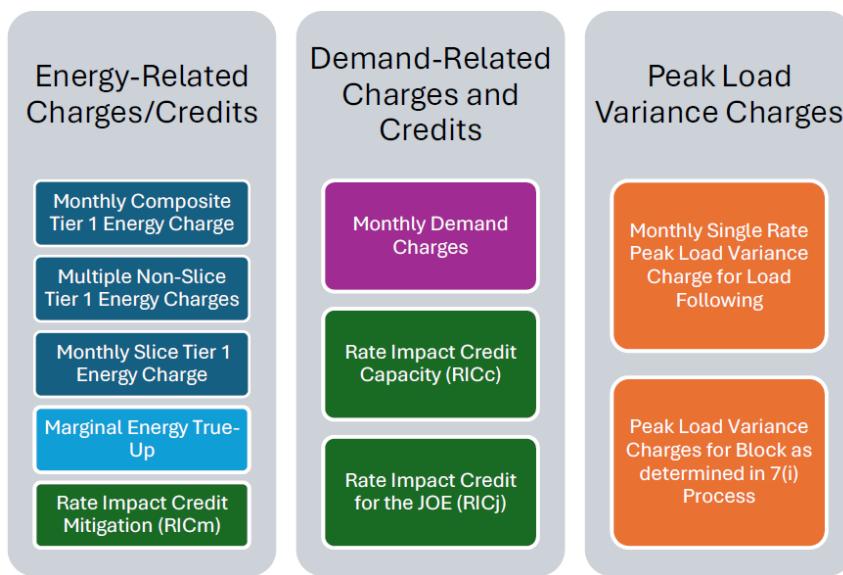
Member generation:

- BPA is allowing customers to add behind the meter generation (non-federal resources) up to 5 MW nameplate in aggregate without incurring RSS charges or with 1MW single projects. Small generation interconnection will increase from 200kw to 1MW.

Next Step for OPALCO Staff:

- Review Rate Mechanisms for Load Following Tier 1 and Tier 2 products to include the BPA's Core Rate Design elements as seen below.

See the full presentation in the appendix.



OPALCO Survey

During November and December, the OPALCO team participated in a member survey about local, renewable energy. There were two portions of the survey the Representative Sample and the Opt-in Portion.

Here is a summary of the Representative sample:

- **Customers are highly satisfied with OPALCO.** 94% of customers say they are very satisfied or somewhat satisfied with the services they receive from OPALCO. Satisfaction is very high across demographics.
- **Maintaining and improving service and reducing dependence on mainland energy are almost universally important for customers.** 98% say each of these are very or somewhat important for OPALCO to focus on. A large majority of customers view keeping costs down (82%) and building local energy resources (81%) as key priorities for OPALCO. Just as many (82%) say building local energy resources is important to address power disruptions.
- **About six in ten (61%) are concerned about future outages in San Juan County.** About three in four (74%) become more concerned after learning about projected population growth and potential grid strain as a result.
- **When asked to rank which project they'd prioritize, about a third each rank microgrids first, individual projects—such as rooftop solar—second, and mainland sources third.** 13% said that none of the listed projects are a priority for them.



- The impacts to scenic views, wildlife, and cost are the biggest concerns customers have with these renewable projects, and similarly, customers most prefer building new projects on previously disturbed sites.
- Knowing that San Juan County already has environmental protection policies in place makes nearly three in four customers (73%) more likely to support renewable development.
- **With the context that it would allow for quicker renewable development and prevent future outages, a minimum of six in ten would support flexing land use policies (60%) and permitting processes (63%).** Those who are not concerned about future outages are far less supportive.
 - Even more (71%) say renewable projects should receive priority in the land use process, and 74% think San Juan County should adjust policies to allow for more energy generation – though over half say there should be extra care taken to protect the environment.
 - Similarly, 71% say OPALCO should move forward with development despite opposition, as long as effort is made to shield aesthetic and environmental impacts.
- **When initially presented with OPALCO's renewable projects and the power outages they aim to prevent, eight in ten are supportive**, with nearly half in strong support.
 - After hearing about projects, tradeoffs, and other considerations, support remains high.
 - While support is high across demographics, those who are not concerned about power outages are less supportive than other key demographics.
- **Customers are split on if they are willing to pay more for renewable energy.** Half (50%) are willing to pay more, but 45% are unwilling. Long-time residents, those unaware of current energy issues, and those not concerned about future outages are more likely to say they are unwilling to pay more.
- **In open-ended feedback, customers re-emphasize their top priorities – protecting the environment, improving energy reliability, and keeping costs down – while also reiterating their concerns.** The most common feedback in the open-ended question was lingering concerns about projects (17%), followed by prioritizing the environment (10%), minimizing blackouts (9%) and keeping costs down (8%).

The opt in portion of the survey did not rely on random sampling, data were not weighted and cannot be treated as a representative sample of OPALCO customers or compared with the representative sample. Here are the key takeaways:

- 94% satisfied with OPALCO service.
- Most rate maintaining and improving reliable service and reducing dependence on mainland energy as important.
- Over two in three are concerned about future outages in San Juan County. Eight in ten become more concerned after hearing about projected growth.
- When it comes to the energy issues in San Juan County, over three in four were already aware prior to taking the survey.
- Microgrids emerge as the most top-ranked project for OPALCO to address energy needs. Individual solar and mainland improvements rank just as highly overall.
- A clear majority favors adjusting permitting and land use policies in the interest of improving electricity service for residents.
- When asked how OPALCO should treat opposition to new projects from residents, nearly three in four say to proceed with development.
- Knowing that environmental protection policies already exist in San Juan County, over three in four say that they are more likely to support new projects.
- Support for renewable development remains high and is mostly unchanged when presented with projects and tradeoffs – about eight in ten support new development.



The full list of survey analysis with verbatim comments are linked [HERE](#). Please note due to OPALCO's online commenting policies we have removed 5 comments that contain one of the following insults, threats, harassment, personal attacks, vulgar language, misinformation, or promote violence or illegal activities.

REPORTS

General Manager

Dashboards

Please review the dashboards at <https://www.opalco.com/dashboards>. Note that all the dashboards are within board approved strategic parameters.

Finance	Member Services	Outage
<ul style="list-style-type: none"> Budget Variance TIER/Margin Expense Cash Power Cost Purchased Power Annual Power Metrics Capital Debt/Equity WIP Income Statement Trends 	<ul style="list-style-type: none"> Disconnects Uncollectable Revenue PAL EAP Membership Service Additions Annual Service Additions Revenue Dist. By Rate 	<ul style="list-style-type: none"> Historical SAIDI - Graph Historical SAIDI - Figures Outage Stats – Rolling 12 Mo Outage Stats – Monthly SAIDI by Category Outage Summary

Quick facts

Please review the Quick Facts at <https://www.opalco.com/newsroom/quick-facts/>.

- OPALCO's Plan for our Energy Future
- Decarbonization – 4 Part Series
- Switch It Up!
- WA 2021 Energy Strategy
- Simpson Proposal and the Northwest Energy Evolution
- Will there be enough power?
- OPALCO Rates
- Energy Independence? Not entirely
- Rock Island Communications
- OPALCO election process
- Wireless Services
- Cost of Service
- Staff Compensation
- NRECA
- OPALCO Debt and Capital Projects
- Ocean Health
- NW Resource Adequacy in a Rapidly Decarbonizing World
- Land for Renewable Energy Projects
- Understanding the Change in Solar Rates
- Decatur Island Battery Storage Project
- Why Hydropower is Important to our Power Supply
- Where does OPALCO stand on regional issues and the dams?
- Future Power Purchase Strategy
- Industry Association Memberships and Co-op Benefits
- Climate Change News Review - September 2022
- OPALCO Tidal Energy Pilot Project
- Solar Rate for Residential Members
- Right-of-Way Program
- Inflation Reduction Act (IRA) Benefits
- Wildfire Mitigation
- Surge Protection
- OPALCO Needs a New Submarine Cable
- OPALCO's Rate for Members who have Rooftop Solar
- Why Local Renewable Projects? Mainland Power Demand Will Soon Exceed Supply



Engineering, Operations and Information Technologies

WIP

As of January 5, 2026, there are 306 work orders open totaling \$14.8M. Operations has completed construction on 101 work orders, totaling \$1.6M.

Safety

Northwest Safety Service conducted Lock Out / Tag Out training in December. The total current hours worked without a loss time accident is 103,248 hours.

Finance

2025 Budget Tracking

Energy (kWh) purchases and sales were lower than budgeted levels in 2025. Resulting revenue has also fallen short of budget, while the ECA, being tied to power cost, has also returned a net \$934K to members in 2025. While projections are showing 2025 coming in below budget across all categories, financial ratios remain in a healthy range. The table presents the full year 2025 projection with actuals for prior months where available.

Income Statement Summary (in thousands)	2025 Projection (actuals for prior months)		
	Budget	Projected	Variance
Operating Revenue	\$ 42,709	\$ 41,319	\$ (1,390)
ECA Surcharge / (Credit)*	\$ -	\$ (934)	\$ (934)
Revenue	\$ 42,709	\$ 40,385	\$ (2,324)
Expenses:			
Cost of Purchased Power	10,865	9,883	\$ (982)
Transmission & Distribution Expense	9,222	9,550	328
General & Administrative Expense	7,245	6,935	(310)
Depreciation, Tax, Interest & Other	9,395	10,142	747
Total Expenses	\$ 36,727	\$ 36,510	(217)
Operating Margin	5,982	3,875	(2,107)
Non-op margin**	414	(375)	(789)
Net Margin*	\$ 6,396	\$ 3,500	(2,896)
OTIER	3.60	2.67	(0.93)
TIER	3.78	2.51	(1.28)
Equity %	39.7%	38.7%	-1.0%
HDD	1,446	1,043	(403)
kWh Purchases	235,000	225,146	(9,854)
kWh Sales	223,000	214,477	(8,523)

* The ECA returned a net \$934K to members in 2025.

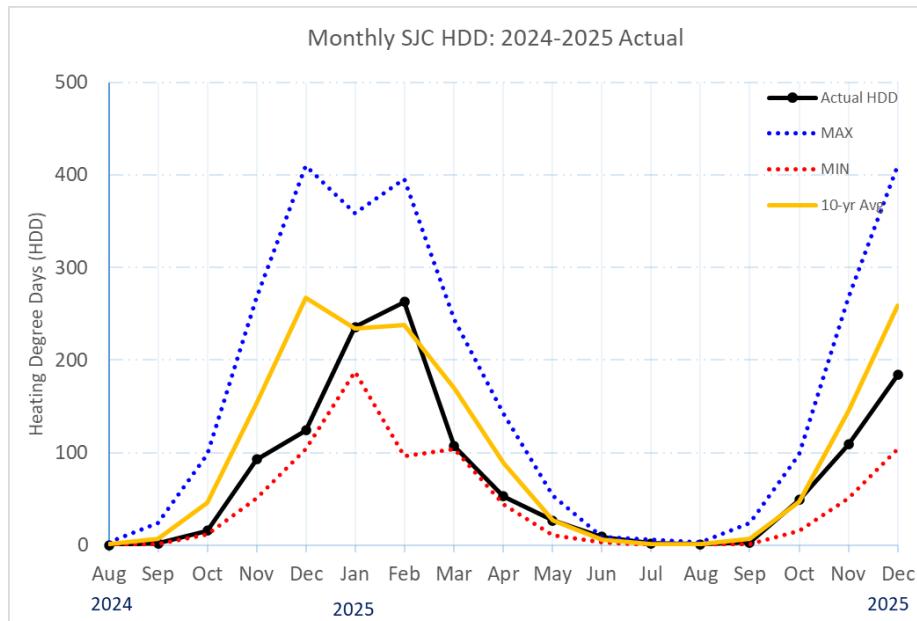
**Grant funded research projects & sunk costs associated with Bailer Hill permitting write offs - no impact on member margin allocations

Monthly Energy Charge Adjustment (ECA)

The December 2025 ECA collected \$16,234 from members, or \$0.75 per 1,000 kWh. With the shift to a revised ECA calculation tied to operating margin, there will be no January '26 ECA as there is no target Operating Margin variance in the beginning of a new year.

Heating Degree Days (HDD)

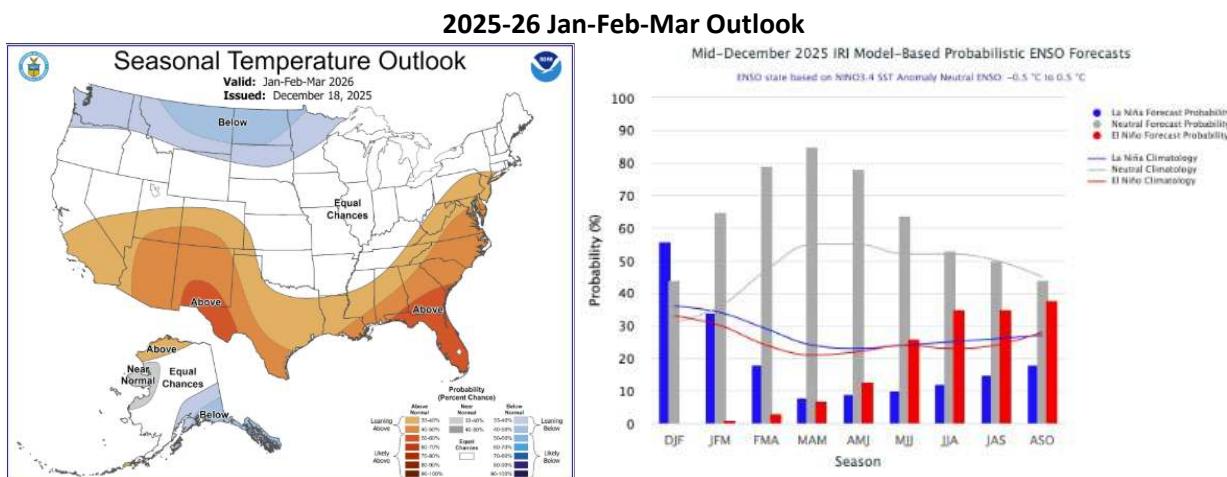
Overall 2025 trended slightly warmer, despite previous projections based on National Weather Service forecasts initially indicating a cooling weather pattern. As seen in the table below, 2025 has continued to trend right around the 10-year minimum & average HDD. We continue to monitor weather trends monthly.



*max, min, avg is based on 10 year average

Weather Forecast

Looking ahead to the NOAA 'three-month outlook temperature probability' for Jan-Feb-Mar '26, the outlook is currently showing a higher probability of La Niña temperature conditions in our region moving through the remainder of the winter season. The models in the International Research Institutes' (IRI) ENSO (weather) prediction also forecasts a slight La Niña condition. We continue to monitor these predictors monthly.



Source: NOAA National Weather Service



Member Services

Annual History of Energy Assistance Funding

All values are as of first of the month reported.

		2023	2024	2025	Grand Total
Energy Assist Credit	# of Accounts	519	524	528	780
	Total Assistance	141,748	164,175	171,442	477,366
PAL	# of Accounts	268	264	157	511
	Total Assistance	80,500	74,750	39,289	194,539
Grand Total	# of Accounts	584	566	558	856
	Total Assistance	222,248	238,925	210,731	671,904

Note: EAP funds are collected, primarily, from a program OPALCO created by including a line item on all OPALCO member bills. Additional funds are directed to the EAP from the Decatur Solar Project (10% of all production credits). In 2020/2021, additional funds (not included in this chart) were paid out to members who were impacted by COVID. When the Baler Hill Microgrid Projects comes online, up to 45% of its production will be directed to EAP. The "# of Accounts" are the distinct accounts assistance was provided to over the year or as a total. The "Total Assistance" varies based on single account adjustments.

Project PAL

During December 2025, 54 members received ~\$16.2k in Project PAL Awards, compared to 58 members who received ~\$14.5k in awards in December 2024.

Energy Assistance Program (EAP)

During December 2025, 437 members received ~ \$19.8K from the low-income Energy Assist program, compared to 353 members who received ~ \$15.1K in assistance in December 2024.

LIHEAP (Low Income Home Energy Assistance Program)

During December 2025 there was activity for pledges and small amounts of awards to members.

Energy Savings

During December there were a total of 13 rebates paid out to members totaling ~\$12.4k.

Member Benefits from Energy Efficiency and Fuel Switching Programs

OPALCO is committed to helping members prepare for an efficient and sustainable energy future with programs, incentives, and rebates. All values are as of first of the month reported.

		2023	2024	2025	Totals
EE Rebates*	# of Accounts	261	210	137	608
	Total Awards	\$313,945	\$259,445	\$191,931	765,321
	Total Energy Savings (annual kWh)	440,382	253,675	258,738	952,795

**BPA includes the cost of the Conservation (Rebate) program in the power bills that OPALCO pays. When members utilize the rebates and OPALCO documents it, the Co-op then gets credited back that amount. In essence, we are overbilled for the rebate program and only get credited if members utilize the rebates. OPALCO is unique in the pool of BPA utilities for consistently using all or most of the available conservation dollars in this program. We have often used conservation funds allocated to other Co-ops that they were unable to use through their member rebate programs.*

Interconnects

There were 13 new interconnect applications submitted in December, with 11 members interconnected with solar for a total of 974. (<https://energysavings.opalco.com/member-generated-power/>). There are an additional 31 pending connections.



Switch It Up

OPALCO can utilize \$46.8M in Rural Energy Savings Program (RESP) funds to provide on-bill financing for co-op members for energy efficiency measures. OPALCO is reimbursed for the funds once member measures are installed. There are now 1,129 projects completed and billing for a total of \$23.4M net outstanding (total projects less member pay-offs). There are another 100+ projects in various stages of the process. Current project details are as follows:

Measure	Project Origination Year							Grand Total
	2019	2020	2021	2022	2023	2024	2025	
Appliance					36,112	54,463	43,939	\$ 134,514
Energy Storage				39,510	27,159	47,766	120,071	\$ 234,506
Ductless Heat Pump	706,507	619,280	646,476	1,581,317	1,830,308	2,433,936	2,016,427	\$ 9,834,251
EV Charger						34,031	2,948	\$ 36,979
Fiber		30,725	48,681	29,301	41,929	85,080	18,883	\$ 254,598
Ducted Heat Pump	7,874	30,000	15,000	18,127	956,659	520,872	379,571	\$ 1,928,104
Heat Pump Water Heater	12,312	9,755		5,012	67,612	13,700	312,901	\$ 421,291
Insulation				256,935	58,228	244,969	704,402	\$ 1,264,534
Other	13,994			92,649	188,075	31,981		\$ 326,699
Solar + Storage				480,057	474,806	766,179	1,378,239	\$ 3,099,279
Solar				1,930,830	3,253,373	2,719,795	1,892,312	\$ 9,796,310
Windows				563,557	459,573	551,874	1,260,144	\$ 2,835,148
Grand Total	\$ 740,687	\$ 689,760	\$ 710,157	\$ 4,997,295	\$ 7,393,833	\$ 7,504,644	\$ 8,129,836	\$ 30,166,212

The following table shows the utilization of the RUS Rural Energy Savings Program (RESP) loan funds, used to fund the Switch It Up program. These funds are available for use through 2031.

	Total (in millions)	Project Committed	Remaining Available
RESP 1.0	5.80		-
RESP 2.0	15.00		-
RESP 3.0	26.00	3.90	15.56
	\$ 46.80	\$ 3.90	\$ 15.56

Member Communications

Ruralite Articles

This month's Ruralite magazine features five pieces of original content for members to enjoy. The magazine articles this month are:

- Conserve Energy
- Rebates
- Election
- Center Island Submarine Replacement

View the digital edition here:

https://issuu.com/utilitypioneers/docs/ruralite_orcas_power_light_cooperat_52b1c6d8eba4db



Rate Workshop

OPALCO hosted a virtual workshop to communicate the changes to power rates in 2026. There 8 members in attendance at the workshop. We have a recording of the event for members to refer to if questions come up. There is also a webpage with the video and explanations of the changes: <https://www.opalco.com/rates-adjustments-explained/>.

OPALCO Board Election:

The OPALCO election is now accepting nominees for District 1 (San Juan et al) and District 2 (Orcas et al).

Event	Date
Legal Notice for Election (RUS requires minimum 30 days prior to nominating process)	1/2/26
Director Applications due to EGC	02/02/26
Nominations posted - (80 days prior to meeting)	02/16/26
Nominations by petition due to office	03/02/26
Nominations by petition posted - (55 days prior to meeting)	03/13/26
Candidate Forum (virtual)	03/18/26
Notice to members/Ballots mailed - (21-50 days prior to meeting)	03/18/26-05/04/26
Election closes - (3 days prior to meeting)	05/04/26
Annual Meeting	05/07/26

It should be noted we have two board positions from two different districts as outlined below:

Election Year	District 1 San Juan	District 2 Orcas	District 3 Lopez/Decatur	District 4 Shaw
2026	1A - Dauciunas	2B - Onwuneme		
2027		2A - Hiester	3B - Osterman	
2028	1B-Madsen		3A-Silverstein	4-Whitfield

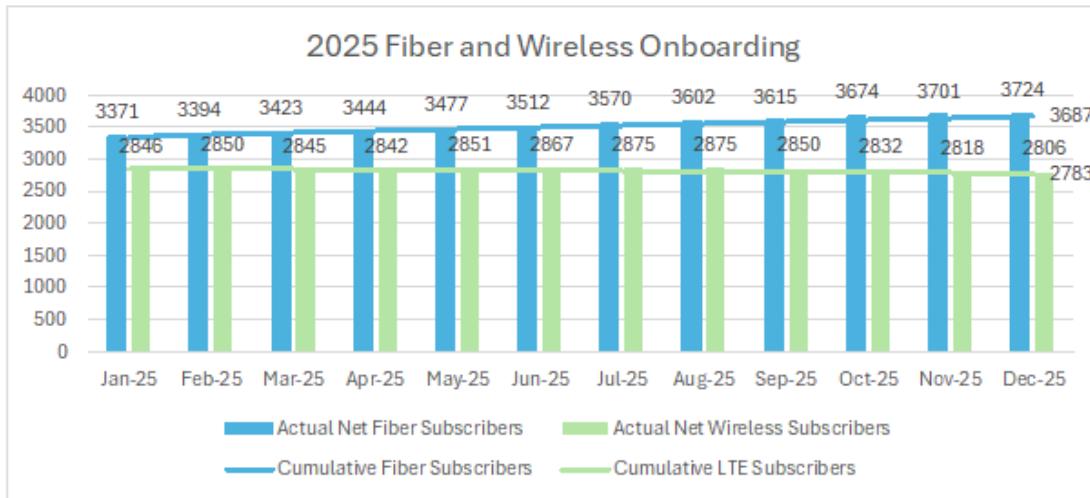
* All terms are 3-year term



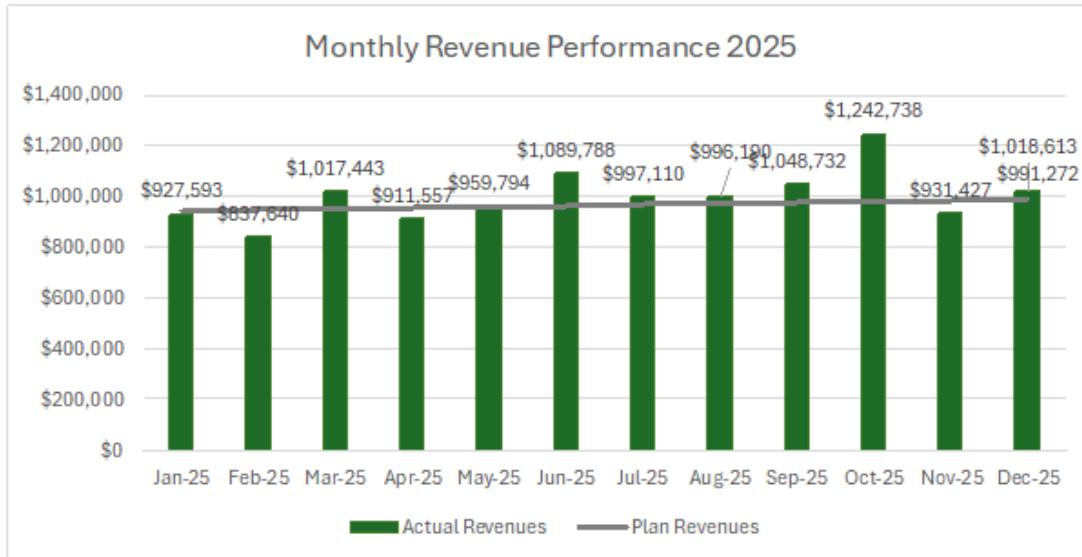
Rock Island Communications

6,956 Rock Island Service Customers

Net Subscribers



Revenues



*Previous months' revenues, not closed out, are subject to change.



Appendix



BPA Provider of Choice Contract Board Overview

January Board Meeting

Provider of Choice Contract

Why this contract matters

- OPALCO executed a new long-term Provider of Choice (POC) contract with BPA
- Replaces the prior Regional Dialogue (RD) contract structure
- Defines power supply, pricing methodology, and contract obligations through September 2044
- Direct implications for rates, load growth, and local resource strategy



Contract Structure: What Changed

- Retains Load Following, Block, and Slice/Block products, but redefines aspects of each offering
- Take-or-pay structure remains in place
- Tiered Rate Methodology replaced by BPA's Public Rate Design Methodology, but still reliant upon a tiered rate structure
- Pricing methodology leans heavily into marginal cost pricing, capacity pricing, and preparations for day-ahead markets
- Creates some new benefits for local generation by increasing behind the meter exemptions from Tier 1 loss and RSS

Tier 1, Tier 2, and Load Growth

- Access to Tier 1 power capped at Contract High Water Mark (CHWM)
- CHWM established based on FY 2023 loads with limited other adjustments
- Load growth above CHWM served by Tier 2 BPA power or self-supply
- One time election for Long-term Tier 2 offerings made in June 2026 and applicable for the 16-year contract term
- BPA System sized is now fixed at 7,250 MWs (versus the previous system size that changed every rate period between 6,800 - 7,000 MW's)

Power Prices and Transparency

- Contract does not set rates; prices determined through BPA 7(i) rate cases
- Rates will still be subject to change in every 2-year rate period
- Tier 1 remains cost-based federal power and Tier 1 portfolio augmentation anticipated to achieve 7,250 MW of system size.
- Tier 2 reflects marginal cost-based resource costs and market price volatility
- PRDM improves alignment between theoretical marginal costs and pricing signals on power bills
- BPA's actual marginal costs are not known, since they have not yet begun to find resources for their Tier 2 portfolio
- RSS availability as well as short term Tier 2 will be subject to wholesale market availability and pricing
- Capacity markets and WRAP costs are still unknown until further market development occurs regionally

Self-Supply, Renewables, and Flexibility

- Under the new contract, the behind the meter, utility owned (self-supplied generation) threshold for BPA Power increased from 200 kW to 1 MW
- This will enable customers to bypass the Generator Interconnection process and RSS requirements for resources < 1 MW nameplate
- BPA customers can add an unlimited number of up to 1 MW generators behind the meter and not risk off-setting their Tier 1 CHWM allocation
- BPA customers can also add generators behind the meter that exceed 1 MW with the same allowances until the aggregate capacity totals 5 MW. Then the exemptions are capped.
- Notably BPA Transmission will still require metering and resource tracking at the 200-kW level and above.
- Utility member generators: Net metering vs. PURPA
- A member owned generator that uses a utility net metering program will not be exempt from RSS requirements over the 1 MW threshold (payment determined by utility tariff)
- PURPA generators will not be exempt from RSS requirements (payment determined by avoided cost calculation)

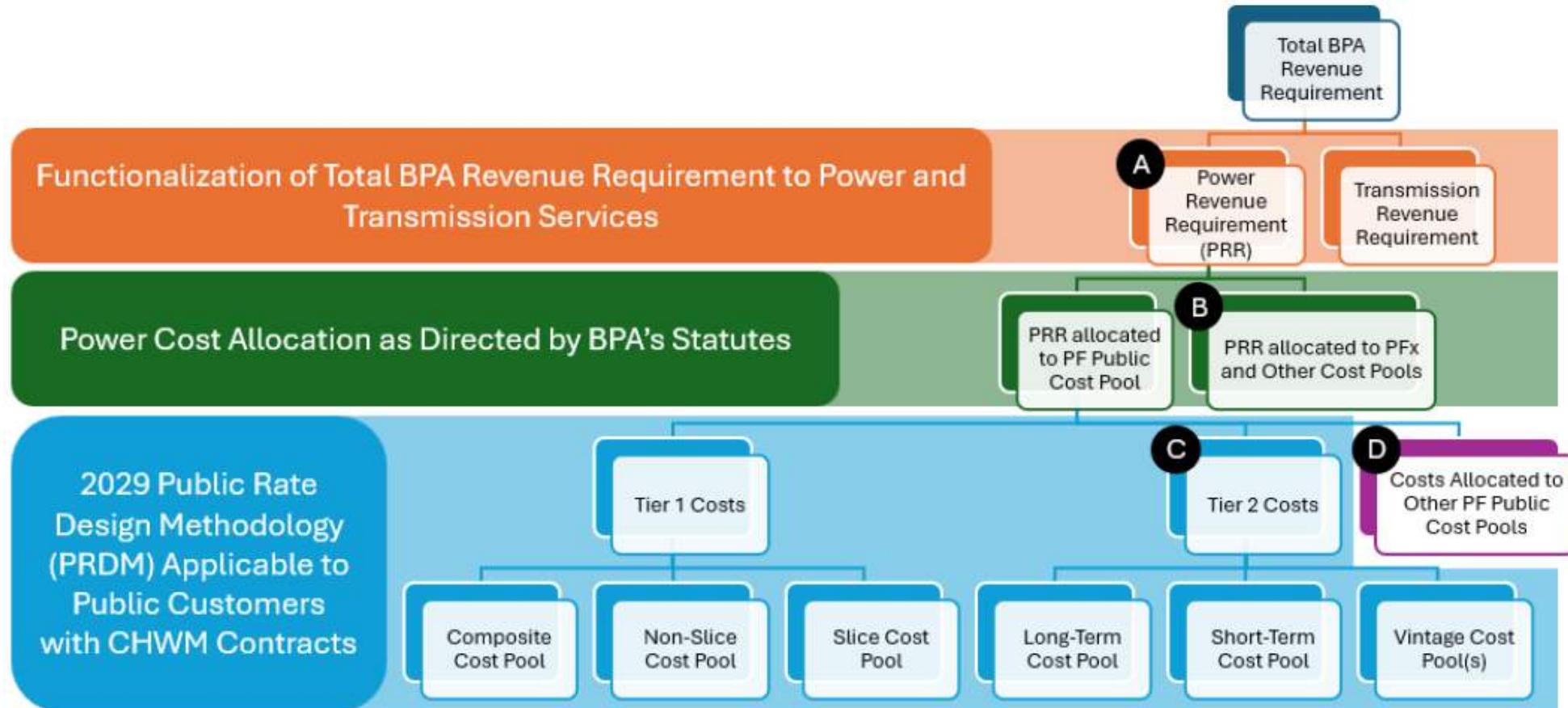
Resource Adequacy and Markets

- POC contract incorporates ability to participate in the Western Resource Adequacy Program
- It also adds new obligations related to planning and compliance which will drive up capacity costs for all BPA products
- Contract includes framework for future participation in a day-ahead market
- Energy storage and flexible, dispatchable resources play a larger role in managing resource risk going forward

Strategic Takeaways for OPALCO

- BPA remains critical for reliable Tier 1 power supply products
- AHWM exposure will increase as load grows
- Opalco must make BPA-offered Tier 2 decisions this June for the entire contract period
- Local generation, storage, and demand response reduce cost and risk
- POC contract reinforces the value of OPALCO's local energy strategy as long as our growth remains measured

BPA Power Cost Allocation



$$\text{Tier 1 Costs} = A - B - C - D$$

Core Breakout

Energy-Related Charges/Credits

Monthly Composite Tier 1 Energy Charge

Multiple Non-Slice Tier 1 Energy Charges

Monthly Slice Tier 1 Energy Charge

Marginal Energy True-Up

Rate Impact Credit Mitigation (RICm)

Demand-Related Charges and Credits

Monthly Demand Charges

Rate Impact Credit Capacity (RICc)

Rate Impact Credit for the JOE (RICj)

Peak Load Variance Charges

Monthly Single Rate Peak Load Variance Charge for Load Following

Peak Load Variance Charges for Block as determined in 7(i) Process